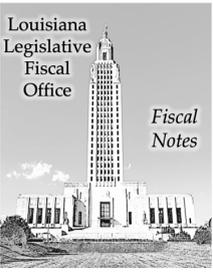


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 311** HLS 26RS 673
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 30, 2026 6:01 PM **Author:** KERNER
Dept./Agy.: Municipal Fire and Police Civil Service
Subject: Municipal Fire and Police Civil Service Operating Dedicated Fund Account **Analyst:** Garrett Ordner

FUNDS/FUNDING EG +\$726,897 SG RV See Note Page 1 of 1
 Increases the dedication of a certain portion of insurance premium assessments into the Municipal Fire and Police Civil Service Operating Dedicated Fund Account
Present law provides that each year, 0.025% of gross premiums received by insurers in Louisiana are credited to the Municipal Fire and Police Civil Service Operating Dedicated Fund Account.

Proposed law provides that in FY 28 and FY 29, 0.03% of gross premiums received by insurers in Louisiana will be credited to the Municipal Fire and Police Civil Service Operating Dedicated Fund Account. Proposed law further provides that in subsequent fiscal years, 0.035% of gross premiums received by insurers in Louisiana will be credited to the Municipal Fire and Police Civil Service Operating Dedicated Fund Account.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$726,897	\$726,897	\$1,453,794	\$1,453,794	\$4,361,382
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$726,897	\$726,897	\$1,453,794	\$1,453,794	\$4,361,382

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$726,897	\$726,897	\$1,453,794	\$1,453,794	\$4,361,382
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$726,897	\$726,897	\$1,453,794	\$1,453,794	\$4,361,382

EXPENDITURE EXPLANATION

As shown in the revenue explanation below, proposed law will result in an increase in self-generated revenue dedications to the Municipal Fire and Police Civil Service Operating Dedicated Fund Account of \$726,897 in FY 28 and FY 29, and \$1.5 M in each year thereafter, when calculated using 2024 insurance premiums of \$14.5 B. The account exists to fund the operations of the Office of State Examiner, Municipal Fire and Police Civil Service, which provides support and guidance to municipal fire and police civil service systems.

REVENUE EXPLANATION

Proposed law will result in an increase in self-generated revenues collected through the Louisiana Department of Insurance's (LDI) assessment rating fees beginning in FY 28. Based on 2024 premiums of \$14.5 B, the increase in assessment revenue is expected to be \$726,897 in FY 28 and FY 29, and \$1.5 M in each year thereafter, as shown in the table below.

<u>FY</u>	<u>2024 Premiums</u>	<u>Dedication</u>	<u>Collections</u>	<u>Increase</u>
2027	\$14,537,938,710	0.025%	\$3,634,485	\$0
2028	\$14,537,938,710	0.030%	\$4,361,382	\$726,897
2029	\$14,537,938,710	0.030%	\$4,361,382	\$726,897
2030	\$14,537,938,710	0.035%	\$5,088,279	\$1,453,794
2031	\$14,537,938,710	0.035%	\$5,088,279	\$1,453,794

Present law provides for an insurance rating assessment to be collected by the Louisiana Department of Insurance (LDI) of no more than one percent of gross insurance premiums to provide for statutory dedications: (1) 0.025% of gross premiums are dedicated to the Municipal Fire and Police Civil Service Fund; and (2) 0.7% of gross premiums are dedicated to retirement systems for police, sheriffs, and firefighters.

Any rating assessment funds remaining after meeting these obligations are required to be remitted to the state general fund. However, in practice, LDI only levies an assessment of 0.725% of premiums, enough to meet its statutory obligations under present law. Therefore, while the insurance rating assessment will increase to meet the statutory dedication level provided for in proposed law, there is no expected impact on the state general fund.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
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Legislative Fiscal Officer